

The New York Times

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Donor to Trump Inauguration Charged With Obstructing Investigation

Imaad Zuberi was said by federal prosecutors in New York to have deleted emails and backdated a check to hide the sources of money he donated.



By Kenneth P. Vogel and William K. Rashbaum

Jan. 7, 2020

WASHINGTON — A California venture capitalist who was a major donor mostly to Democrats before abruptly shifting the bulk of his giving to Republicans after the 2016 election was charged on Tuesday by prosecutors in New York with obstructing a federal investigation into donations to President Trump's inaugural committee.

The donor, Imaad Zuberi, had pleaded guilty last year to separate charges brought by federal prosecutors in Los Angeles related to earlier campaign donations, as well as lobbying and tax violations.

He is expected to plead guilty to the obstruction charge as well, according to two people familiar with the situation. They said prosecutors had moved to consolidate the two cases, for which he was expected to be sentenced in California.

The obstruction charge stemmed from a federal investigation into the source of the \$900,000 Mr. Zuberi donated through his company, Avenue Ventures, to Mr. Trump's inaugural committee in late December 2016, in what he has acknowledged was an effort to gain access to the incoming administration.

In a court filing on Tuesday, prosecutors said some of the funds Mr. Zuberi donated to the inaugural committee came from other people, including an unnamed American man who wrote a \$50,000 check to Avenue Ventures to secure "exclusive access to certain inaugural events" promised by Mr. Zuberi.

The man, who is not identified in the filing, did not attend the inauguration, and asked Mr. Zuberi to refund the \$50,000, according to the prosecutors from the United States Attorney's Office for the Southern District of New York. They said in the filing that Mr. Zuberi initially declined to refund the money. He relented, they said, only after The New York Times and other news media outlets reported in early February 2019 that Mr. Zuberi's name and that of his company were included on a subpoena for documents sent to Mr. Trump's inaugural committee as part of a wide-ranging investigation into the inauguration and its financing.

At a meeting at a restaurant in California a few weeks after the news broke, Mr. Zuberi asked the man whether he had been contacted by federal investigators, according to the prosecutors. They wrote that Mr. Zuberi wrote a refund check to the man, backdating it to Feb. 1 "to make it appear" that Mr. Zuberi returned the money "before he learned of the S.D.N.Y. investigation into the source of funds for the \$900,000" donation.

The prosecutors also accused Mr. Zuberi of deleting emails with individuals who provided money to him around the time of his \$900,000 donation, including a foreign citizen. The foreigner, who is not named in the court filing, transferred approximately \$5.8 million to the account Mr. Zuberi used to fund his \$900,000 inaugural donation, the prosecutors said.

When prosecutors confronted Mr. Zuberi's lawyers about his efforts to delete emails with the foreigner, Mr. Zuberi contacted his email service provider seeking advice on "how to ensure that copies of his emails were not stored on a server," according to the filing.

While federal election laws bar foreign donations and so-called straw donations under someone else's name, Mr. Zuberi was not charged with either offense on Tuesday. Rather, he was charged with obstruction of justice for destroying evidence and backdating the \$50,000 refund check.

David Kelley, a lawyer for Mr. Zuberi who is handling the case in New York, said the expected guilty plea to the single count of obstruction would conclude the investigation of his conduct in connection with the inauguration.

"This brings closure to the inaugural committee investigation as it relates to Mr. Zuberi," Mr. Kelley said.

The charges to which Mr. Zuberi pleaded guilty last year related to nearly \$1 million in illegal campaign donations from April 2012 through October 2016, including some funded by foreign sources, as part of a scheme to gain access to American politicians for foreign clients.

He was also charged with falsifying records filed with the Justice Department under the Foreign Agents Registration Act to conceal his lobbying work on behalf of Sri Lanka to help burnish the country's reputation in Washington amid human rights concerns. And he was charged with failing to report and pay taxes on \$5.65 million he was paid for the Sri Lankan lobbying campaign, much of which, prosecutors say, he diverted for personal use.

Mr. Zuberi could have faced a maximum sentence of 15 years in federal prison for those charges. He is free on bail in that case. He was traveling in Asia on Tuesday, according to someone with knowledge of his whereabouts, and did not respond to a request for comment.

U.S. NEWS

Political Donor Faces Obstruction Charge

By BYRON TAU

Federal prosecutors on Tuesday accused a major political donor of obstruction of justice in connection with a federal probe into the finances of President Trump's inaugural celebration.

Imaad Zuberi, a California businessman who was a major Democratic donor before he pivoted to support Mr. Trump after the 2016 presidential election, was charged in New York federal court with impeding a federal grand jury investigation of a \$900,000 donation he made to Mr. Trump's Presidential Inaugural Committee in 2016.

The new charge against Mr. Zuberi alleges he took \$50,000 from an unnamed U.S. donor and tried to conceal the source of the funds by reimbursing the donor with a backdated check and deleting email communications between them.

The obstruction accusation comes in addition to other charges against Mr. Zuberi, announced in October, for making illegal campaign contributions, evading taxes and falsifying lobbying records. He pleaded guilty to those counts in federal court in Los Angeles.

The first sign that Mr. Zuberi was in legal jeopardy came when he was named in a subpoena to the Trump inaugural committee as part of a probe into foreign donations. He has since been charged with campaign finance and lobbying violations beyond his donations to the committee.

Prosecutors in New York on Tuesday filed a "criminal information" outlining the obstruction charge. The New York case is expected to be transferred to Los Angeles if a judge approves. Mr. Zuberi is expected to plead guilty to the obstruction count, according to his attorney David Kelley.

Mr. Zuberi was a campaign contributor to mostly Democratic candidates and causes before he began donating to Mr. Trump and Republicans after the 2016 presidential election. As a major donor he

had access to politicians, including Hillary Clinton, President Obama, and former Vice President Joe Biden, according to photographs and court documents reviewed by The Wall Street Journal and people familiar with the matter.

He used this access to drum up consulting and advocacy work from foreign governments, according to prosecutors in Los Angeles. One of the earlier charges accuses him of failing to report that work to the Justice Department.

He was first named in a wide-ranging document subpoena issued on Feb. 4, 2019, to the Trump inaugural committee by prosecutors in New York City as part of a probe into possible foreign donations to that committee. Under federal law, only American citizens and permanent residents

Accusation against Imaad Zuberi relates to Trump inaugural probe

can contribute to most U.S. political organizations.

Mr. Zuberi's case is the latest in a string of prosecutions related to illegal donations in the 2016 U.S. election to candidates of both parties.

Businessman George Nader and others were charged in December with a conspiracy to funnel millions to entities supporting Mrs. Clinton's campaign. Like Mr. Zuberi, they pivoted to supporting Mr. Trump after the 2016 election.

Consultant Sam Patten pleaded guilty in 2018 to funneling \$50,000 from a Ukrainian oligarch into the Trump inaugural committee. Businessmen Lev Parnas and Igor Fruman were charged in October with engaging in political activities in the U.S. on behalf of one or more Ukrainian government officials. They have pleaded not guilty.

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